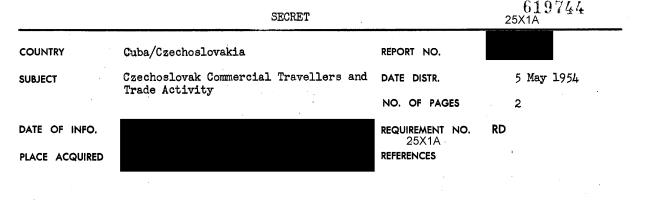
CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. Antonin F. MATOUSEK, 61-year-old representative of the Motokov firm in Prague, Czechoslovakia, and Dr. Jaroslov CISAR, representative of the Kovo firm in Prague arrived in Habana, Cuba, on 28 March,

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- 2. The purpose of MATOUSEK's trip to Cuba was to introduce and sell Czech tractors with the trade name of Zetor, agricultural machinery, and other articles which are offerred by Motokov. So far as it is known, MATOUSEK did not succeed in selling any tractors or agricultural machinery, but did develop some prospective buyers for Czech Skoda automobiles. It is believed that the price of the automobiles can be lowered to about \$850 CIF Habana, about \$300 under the price of a comparable European car, thus giving the Czech automobiles a competitive advantage.
- 3. MATOUSEK in speaking of Caribbean trade stated that he considered Cuba a good country for Czech exports, much better than Mexico. The reason for this, according to MATOUSEK, is that Mexican businessmen, even those of Jewish descent, fear that by dealing in Czech products, they would be denied entrance visas to the United States, while such was not the case in Cuba. The Czechoslovak Government is considering the purchase of large quantities of meat from Mexico, the motive being, according to MATOUSEK, further trade, rather than improvement in the diet of the Czech people. Trade with Guatemala has not been progressing satisfactorily, however, and all credits to Guatemalan importers have been cancelled. The reason for this small volume of trade is uncertainty in the political situation in Guatemala.
- 4. MATOUSEK had been a salesman for a large agricultural machinery factory in Roudnice nad Labem, Czechoslovakia, for 26 years prior to World War II and had travelled to several Latin American countries during this period. He commenced work for Motokov more than a year ago, and was soon sent abroad as a salesman. This came as a surprise to MATOUSEK, since he considered himself too old and unsuitable from a political point of view. In MATOUSEK's opinion the Czechoslovak Government is now sending

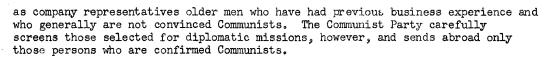
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- 5. MATOUSEK stated that the quality of Czech products has improved recently because of a new control procedure established in production. The control department in each factory was removed from the jurisdiction of the factory manager and put directly under the respective Ministry. Thus, the chiefs of control are now not responsible for production but are personally responsible for the quality of the goods produced, with greatest emphasis placed on the quality of goods produced for export.
- Comment. An example of this in Cuba is the case of Joseph SCHLACHTER, now deceased. Although he was closely connected with Czech trade and had 25X1A 1. travelled to Europe to foster it, he had been readily granted a United States visa by the Consulate in Habana several years ago.
- 25X1A 2. Comment. This statement appears to indicate that the Czechoslovak regime expects a change in the Guatemalan Government which would not be in its favor. Thus it does not desire to lose financially should such an unfavorable change take place. Frank POLACEK formerly handled Czech trade in Guatemala, but all business was taken away from him some time ago by the Czechs.

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